

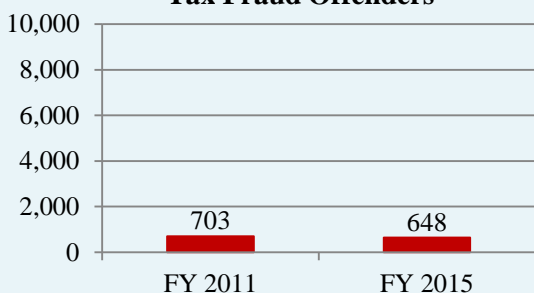


Quick Facts

- ▶ THERE WERE 71,003 CASES REPORTED TO THE UNITED STATES SENTENCING COMMISSION IN FISCAL YEAR 2015.
- ▶ OF THESE CASES, 648 INVOLVED TAX FRAUD.¹
- ▶ THESE OFFENDERS WERE SENTENCED UNDER SECTIONS 2T1.1 AND 2T1.4 OF THE U.S. SENTENCING COMMISSION'S *GUIDELINES MANUAL*.

Tax Fraud Offenses¹

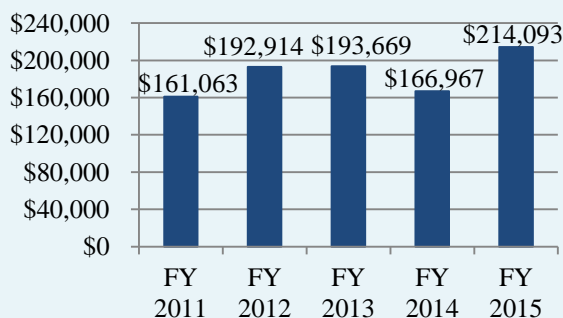
Number of Tax Fraud Offenders



Top Five Districts Tax Fraud Offenders FY 2015

Northern District of Illinois (N=40)
Eastern District of Pennsylvania (N=33)
Eastern District of Michigan (N=24)
District of New Jersey (N=24)
Southern District of Florida (N=23)

Median Tax Loss for Tax Fraud Offenders



In fiscal year 2015, there were 648 tax fraud offenders, who accounted for 1.0%² of all offenders sentenced under the guidelines. The number of tax fraud offenders has decreased slightly during the last five years.

Offender and Offense Characteristics

- In fiscal year 2015, approximately two-thirds of tax fraud offenders were male (67.1%).
- More than half were White (57.5%) followed by Black (26.4%), Hispanic (10.5%), and Other Races (5.6%).
- The average age of these offenders at sentencing was 50 years.
- The majority of tax fraud offenders were United States citizens (94.1%).
- The majority of tax fraud offenders had little or no prior criminal history (81.5% of these offenders were assigned to Criminal History Category I).
- The median tax loss for these offenses was \$214,093.
 - ◆ 84.6% of tax offenses involved tax losses of \$1 million or less.
 - ◆ 48.9% of tax offenses involved tax losses of \$200,000 or less.
- Sentences for tax fraud offenders were increased for:
 - ◆ 14.0% of offenders for using sophisticated means to execute or conceal the offense.
 - ◆ 7.1% of offenders for having a leadership or supervisory role in the offense.
 - ◆ 3.6% of offenders for abusing a public position of trust or using a special skill.
 - ◆ 6.8% of offenders for obstructing or impeding the administration of justice.
- Sentences for tax fraud offenders were decreased for:
 - ◆ 2.2% of offenders because they were a minor or minimal participant in the offense.

Punishment

- Nearly two-thirds of tax fraud offenders were sentenced to imprisonment (63.3%).
- The average sentence length for tax fraud offenders was 17 months.

¹ Tax fraud offenses include cases with complete guideline application information in which the offender was sentenced under §2T1.1 (Tax Evasion; Willful Failure to File Return, Supply Information, or Pay Tax; Fraudulent or False Returns, Statements, or Other Documents) or §2T1.4 (Aiding, Assisting, Procuring, Counseling, or Advising Tax Fraud) using a *Guidelines Manual* in effect on November 1, 2001 or later.

² Of the 71,003 offenders sentenced in fiscal year 2015, 7,543 were excluded from this analysis due to incomplete guideline application information.

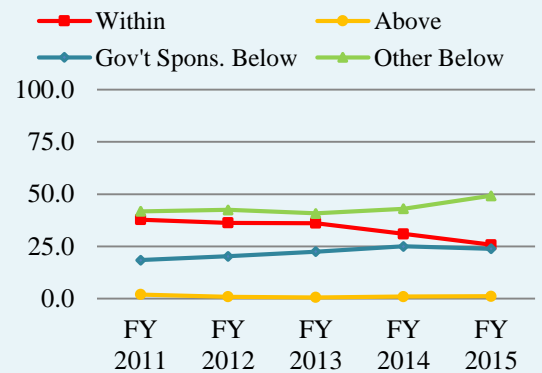
Quick Facts

Sentences Relative to the Guideline Range

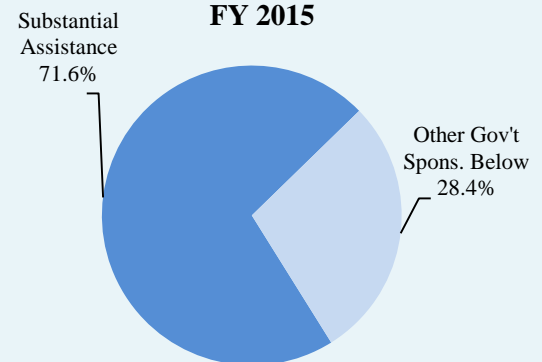
- During the past five years, the rate of within range sentences for tax fraud offenders has decreased (from 37.8% in fiscal year 2011 to 25.8% in fiscal year 2015).
- In each of the past five years, approximately one-fifth to one-quarter of tax fraud offenders received a sentence below the guideline range because the government sponsored the below range sentence.
 - ◆ Substantial assistance departures were granted in approximately 11 to 17 percent of tax fraud cases in each of the past five years.
 - ◇ These offenders received an average reduction of 68.5% in their sentence during the five year time period (which corresponds to an average reduction of 16 months).
 - ◆ Other government sponsored departures were granted in approximately six to ten percent of tax fraud cases in each of the past five years.
 - ◇ These offenders received an average reduction of 63.0% in their sentence during the five year time period (which corresponds to an average reduction of 12 months).
- The rate of non-government sponsored below range sentences increased during the past five years (from 41.8% of tax fraud cases in fiscal year 2011 to 49.2% in fiscal year 2015).
 - ◆ Reductions for non-government sponsored below range sentences were smaller than in cases in which the government sponsored a below range sentence, with an average reduction of 56.7% during the five year time period (which corresponds to an average reduction of 12 months).
- Both the average guideline minimum and the average sentence for tax fraud offenders changed slightly during the past five years.
 - ◆ The average guideline minimum increased from 24 months to 26 months during that time period;
 - ◆ The average sentence imposed decreased from 18 months to 17 months during that time period.

Tax Fraud Offenses¹

Sentence Relative to the Guideline Range



Government Sponsored Below Range Sentences FY 2015



Average Sentence and Average Guideline Minimum (in months)

